

State South Carolina

STANDARDS AND METHODS OF ASSURING HIGH QUALITY

I. Standards and methods of assuring high quality of medical remedial care and services used by the South Carolina Health and Human Services Finance Commission (HHSFC) are: State Licensure Laws, Accreditation Surveys, Certification Surveys, Peer Review, the Professional Review Organization, the Medical Care Advisory Committee, Provider Contracts, Reimbursement Policies, and Surveillance and Utilization Review. The use of these standards and methods as they apply to each covered service is listed below.

II. COVERED SERVICES:

A. Hospital services, other than services in an institution for tuberculosis or mental diseases.

1. Licensing and certification by the Department of Health and Environmental Control (DHEC) is required for in-state hospitals.
2. Licensing and certification by the officially designated authority for state standard setting is required for out of state hospitals.
3. Inpatient hospital utilization review services are performed under contract with a Peer Review Organization (PRO).
4. HHSFC monitors PRO activities.
5. Provider contracts are executed for services and prospective payment rates based on DRGs for inpatient hospital services and a fee schedule for outpatient hospitals services.
6. Advice about health and medical services is provided to HHSFC by the Medical Care Advisory Committee.
7. Policy and billing procedures are sent to providers in Provider Manuals and Bulletins by HHSFC.
8. ICD-9 diagnosis and surgical procedure codes are required by HHSFC.

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B. Rural Health Clinic Services:

1. Certification for Medicare by DHEC is required.
2. Provider contracts are negotiated with appropriate standards for allowable costs by HHSFC.
3. Advice about health and medical services is provided to HHSFC by the Medical Care Advisory Committee.
4. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by HHSFC.
5. ICD-9 Diagnostic Codes are required by HHSFC.
6. Surveillance and Utilization Review will be conducted by HHSFC using class group exception profiles, patterns of service provision, recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.

C. Other Laboratory and X-RAY Services:

1. Certification for Medicare by DHEC is required.
2. Provider contracts are negotiated with appropriate standards for allowable costs by HHSFC.
3. Advice about health and medical services is provided to HHSFC by the Medical Care Advisory Committee.
4. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by HHSFC.
5. CPT-4 Procedure Codes are required by HHSFC.
6. Surveillance and Utilization Review will be conducted by HHSFC using class group exception profiles, patterns of service provision, recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.

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D. Nursing Facility Services for Individuals Age 21 and Older (Other Than Services in An Institution for Tuberculosis or Mental Diseases). EPSDT, and Family planning services and supplies.

1. Nursing Facility Services:

- a. Licensure by DHEC is required.
- b. Certification by DHEC is required.
- c. Concurrent quality assurance, concurrent review and medical care evaluation studies are based upon Survey and Certification reports, auditing of PASARR compliance and case mix validation sampling, all conducted under contract with DHEC.
- d. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
- e. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- f. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- g. Surveillance and Utilization Review will be conducted by SHHSFC using Survey and Certification reports, PASARR compliance audit reports and validation of resident case mix classifications, all accomplished through sampling conducted under contract with DHEC. If necessary, treatment analyses, on-site visits, and Peer Review are utilized.

2. EPSDT Services:

- a. Provider contracts are negotiated with appropriate standards for allowable costs and screening protocols by SHHSFC.
- b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- d. ICD-9 and CPT-4 diagnostic and procedure codes are required by SHHSFC.
- e. Surveillance and Utilization will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient analyses, on-site visits, and Peer Review.

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3. Family Planning Services and Supplies:

- a. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
- b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- d. ICD-9 and CPT-4 Diagnostic and Procedure Codes are required by SHHSFC.
- e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles and if necessary, treatment analyses, on-site and Peer Review.

E. Physician's Services:

1. Physician's Services:

- a. Licensure by the State Board of Medical Examiners of South Carolina is required.
- b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- d. ICD-9 Diagnostic and CPT-4 and HCFA Supplemental Procedure Codes are required by SHHSFC.
- e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.

2. Community Mental Health Services:

- a. Provider contract is negotiated with appropriate standards for allowable costs and services by SHHSFC.
- b. Advice about health and medical services is provided to SHHSFC by Medical Care Advisory Committee and S. C. Department of Mental Health.
- c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.

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- d. ICD-9 Diagnostic and CPT-4 and HCFA Supplemental Procedure Codes are required by SHHSFC.
 - e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.
- F. Medical or Other Remedial Care Providers by Licensed Practitioners:
- 1. Podiatrist's Services:
 - a. Licensure by the State Board of Podiatry Examiners is required.
 - b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - d. ICD-9 Diagnostic and CPT-4 and HCFA Supplemental Procedure Codes are required by SHHSFC.
 - e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.
 - 2. Optometrist's Services:
 - a. Licensure by the South Carolina Board of Examiners in Optometry is required.
 - b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - d. ICD-9 and Vision Care Diagnostic and Procedure Codes are required by SHHSFC.
 - e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.

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F. Medical or Other Remedial Care Provided by Licensed Practitioners:

3. Licensed Midwives' Services:

- a. Licensure by the Department of Health and Environmental Control is required.
- b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- d. ICD-9 Diagnostic and CPT-4 and HCFA Supplemental Procedure Codes are required by SHHSFC.
- e. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.

G. Home Health Services:

1. Certification for Medicare by DHEC is required.
2. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
3. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
4. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
5. ICD-9 and Home Health Diagnostic and Procedure Codes are required by SHHSFC.
6. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision and recipient profiles, and if necessary, treatment analyses, on-site visits and Peer Review.

H. Dental Services:

1. Licensure by the South Carolina State Board of Dentistry is required.
2. Advice about dental services is provided to SHHSFC by the Dental Advisory Committee.
3. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.

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4. ICD-9 and Dental Diagnostic and Procedure Codes are required by SHHSFC.
 5. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.
- I. Prescribed Drugs, Dentures, Prosthetic Devices, and Eyeglasses:
1. Drug Services:
 - a. Licensure by the State Board of Pharmaceutical Examiners is required for dispensing.
 - b. Licensure by appropriate State Boards is required for prescribing.
 - c. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee, the Drug Formulary Advisory Committee, and the Pharmacist Advisory Committee.
 - d. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - e. Drug Procedure Codes are required by SHHSFC.
 - f. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits, and Peer Review.
 2. Durable Medical Equipment:
 - a. Licensure by appropriate State Boards is required for prescribing.
 - b. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
 - c. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - d. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - e. DME Procedure Codes are required by SHHSFC.
 - f. Surveillance and Utilization Review will be conducted by SHHSFC using class group exception profiles, patterns of service provision, and recipient profiles, and if necessary, treatment analyses, on-site visits and Peer Review.

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J. Inpatient Hospital Services, Nursing Facility Services and Nursing Facility Services in Institutions for Mental Diseases (IMDs) for Individuals Age 65 or Older.

1. Certification for Medicare by DHEC is required.
2. Concurrent quality assurance, concurrent review and medical care evaluation studies are based upon inspection of care by DHEC for hospitals and hospital IMDs. Concurrent quality assurance, concurrent review and medical care evaluation studies for nursing facilities are based upon Survey and Certification reports, auditing of PASARR compliance, and case mix validation sampling, all conducted under contract by DHEC.
3. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
4. Advice about health and medical services is provided by SHHSFC by the Medical Care Advisory Committee.
5. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
6. Surveillance and Utilization Review will be conducted by SHHSFC using Survey and Certification Reports, PASARR compliance audit reports, and validation of resident case mix classifications, all accomplished through sampling conducted under contract with DHEC. If necessary, treatment analysis, on-site visits, and Peer Review are utilized.

K. Intermediate Care Facility Services/Department of Mental Retardation:

- a. Licensure by DHEC is required.
- b. Certification by DHEC is required.
- c. Concurrent quality assurance, concurrent review, and medical care evaluation studies are conducted by the Department of Mental Retardation or are based upon Inspection of Care by DHEC.
- d. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
- e. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
- f. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
- g. Surveillance and Utilization Review will be conducted by SHHSFC using recipient profiles and if necessary, treatment analyses, on-site visits, and Peer Review.

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L. Inpatient Psychiatric Services for Individuals Under Age 21:

1. Accreditation by the Joint Commission for Accreditation of Health Care Organizations is required.
2. Licensing and certification by DHEC is required for instate psychiatric hospitals. Instate Residential Treatment Facilities must hold valid and current DHEC licensure. For Residential Treatment Facilities, licensing is applicable April 1, 1994.
3. Licensing, when required by state regulations, and certification by the officially designated authority for state standard setting is required for out of state psychiatric hospitals and psychiatric Residential Treatment Facilities.
4. Concurrent quality assurance, concurrent review and medical care evaluation studies are based upon Inspection of Care by DHEC.
5. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
6. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
7. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
8. ICD-9 Diagnostic and Procedure Codes are required by SHHSFC.
9. Utilization Review of inpatient psychiatric services for individuals under age 21 is performed under contract with a Peer Review Organization (PRO).
10. SHHSFC monitors PRO activities.
11. Prior approval of all inpatient psychiatric facility services and residential treatment facility placements will be required in order to verify medical necessity. All requirements described at 42 CFR 441.152 will be met.

M. Any Other Medical Care or Remedial Care Recognized Under State Law and Specified by the Secretary:

1. Transportation Services:
 - a. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
 - b. Advice about health and medical services is provided by SHHSFC by the Medical Care Advisory Committee.
 - c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.

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2. Nursing Facility Services for Individuals Under Age 21:
 - a. Licensure by DHEC is required.
 - b. Certification by DHEC is required.
 - c. Concurrent quality assurance, concurrent review and medical care evaluation studies are based upon Survey and Certification Reports, auditing of PASARR compliance and case mix validation sampling, all conducted under contract with DHEC.
 - d. Provider contracts are negotiated with appropriate standards for allowable costs by SHHSFC.
 - e. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - f. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - g. Surveillance and Utilization Review will be conducted by SHHSFC using Survey and Certification Reports, PASARR compliance audit reports, and validation of resident case mix classifications, all accomplished through sampling conducted under contract with DHEC. If necessary, treatment analyses, on-site visits, and Peer Review are utilized.
3. Emergency Hospital Services:
 - a. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - b. ICD-9 Diagnostic and Procedure Codes are required by SHHSFC.
 - c. Surveillance and Utilization Review will be conducted by SHHSFC using recipient profiles, and if necessary, on-site visits, and Peer Review.
4. Personal Care Aide Services:
 - a. Provider contracts are negotiated with appropriate standards for allowable cost by SHHSFC.
 - b. Advice about health and medical services is provided to SHHSFC by the Medical Care Advisory Committee.
 - c. Reimbursement policy and criteria are disseminated to providers in Provider Manuals and Bulletins by SHHSFC.
 - d. Surveillance, Utilization and Compliance Reviews will be conducted by SHHSFC and DHEC, through contractual agreement, using class group exception profiles, patterns of service provision, recipient and analyses, on-site visits, and Peer Review.

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